

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2021

Docket No. ACR2021

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO  
QUESTIONS 1-36 OF CHAIRMAN'S INFORMATION REQUEST NO. 2**

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 2, issued on January 18, 2022. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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1. Please provide the national level percentages of First-Class Mail Single-Piece Letters/Postcards that were transported using air transit and ground transit. These results should be for Fiscal Quarters 1, 2, 3, 4, "mid-year," "second-half," and annually<sup>1</sup> for FY 2021. Please present results for each service standard (2-Day versus 3-5-Day) separately.

### RESPONSE:

Geography	Fiscal Year	Service Standard	Transportation Mode	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Mid-Year	Second-Half	Annual
Nation	2021	Two-Day	Air	0.54%	0.60%	0.63%	0.60%	0.57%	0.62%	0.59%
Nation	2021	Two-Day	Surface	99.46%	99.40%	99.37%	99.40%	99.43%	99.38%	99.41%
Nation	2021	Three-to-Five-Day	Air	37.83%	35.84%	36.17%	36.00%	36.98%	36.09%	36.60%
Nation	2021	Three-to-Five-Day	Surface	62.17%	64.16%	63.83%	64.00%	63.02%	63.91%	63.40%

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<sup>1</sup> Mid-year refers to the aggregation of the data for Quarters 1 and 2 of the applicable fiscal year. Second-half refers to the aggregation of the data for Quarters 3 and 4 of the applicable fiscal year. Annually refers to the aggregation of the data for all four fiscal quarters of the applicable fiscal year.

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2. Please confirm that the Postal Service continues to be unable to quantify the impact on FY 2021 service performance scores for First-Class Mail attributed to critically late trips or the air capacity gap.<sup>2</sup> If not confirmed, please provide quantification(s) and an explanation of the calculation(s).

**RESPONSE:**

Confirmed.

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<sup>2</sup> See Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-38 of Chairman's Information Request No. 1, January 19, 2021, question 21 (Docket No. ACR2020, Response to CHIR No. 1).

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3. In Order No. 5576, in which the Commission provided final approval to the Postal Service to use Internal Service Performance Measurement (SPM) as the official system of measurement and reporting for Outbound Single-Piece First-Class Mail International and Inbound Letter Post starting in FY 2021, the Commission ordered the Postal Service, in the first ACR based on data from SPM for these products, to explain any significant service performance discrepancies between SPM versus the legacy reporting systems and propose a method of comparing SPM versus legacy service performance data.<sup>3</sup>
- a. Please explain any significant discrepancies in service performance results between SPM and the legacy reporting systems for each of these products.
  - b. Please propose a method of comparing SPM versus legacy service performance data for each of these products.
  - c. Please explain all reason(s) that FY 2021 on-time performance for Outbound Single-Piece First-Class Mail International was 24.43 points below the FY 2021 target and lower than the FY 2021 results for domestic First-Class Mail.
  - d. Please explain how the Postal Service plans to improve service performance for Outbound Single-Piece First-Class Mail International for FY 2022.<sup>4</sup>
  - e. Please provide all reason(s) that FY 2021 on-time performance for Inbound Letter Post Combined was 8.63 points below the FY 2021 target and lower than the FY 2021 results for domestic First-Class Mail.<sup>5</sup>
  - f. Please explain how the Postal Service plans to improve service performance for Inbound Letter Post for FY 2022.

**RESPONSE:**

- a. The Postal Service described the methodologies used to calculate service performance

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<sup>3</sup> See Docket No. PI2019-1, Order Granting Request and Approving Use of Internal Service Performance Measurement System, July 1, 2020, at 2, 11 (Order No. 5576).

<sup>4</sup> See Library Reference USPS-FY21-29, December 29, 2021, file "FY21-29 Service Performance Report.pdf," at 4.

<sup>5</sup> See Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 4.

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- for the current SPM measurement system in USPS-LR-PI2021-3/2 - Revised USPS Service Performance Measurement Plan,<sup>6</sup> and
- for the legacy SPM sampling measurement system in USPS-LR-PI2019-1/1 - Modification of USPS Service Performance Measurement Plan),<sup>7</sup>

respectively. These references explain differences between the legacy sampling process and the SPM measurement system. Service performance scores produced by both systems are statistically valid; however, if both systems are used to measure the same time period, the results will not align precisely.

- b. Both measurement systems were designed to provide statistically valid results, and the Postal Service considers the legacy system comparable to the SPM system at least insofar as comparing results is concerned.
- c. FY 2021 on-time performance for Outbound Single-Piece First-Class Mail International was 24.43 points below the FY 2021 target and lower than the FY 2021 results for domestic First-Class Mail for the following reasons.

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<sup>6</sup> See United States Postal Service Notice of Filing Library Reference USPS-LR-PI2021-3-2, Docket No. PI2021-3, September 24, 2021.

<sup>7</sup> See United States Postal Service Notice of Filing Library Reference USPS-LR-PI2019-1/1, Docket No. PI2019-1, May 21, 2019.

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- All Outbound Single-Piece FCMI volume is intended to go through the JFK ISC, except for some minor occasional volume from the Honolulu, Hawaii facility to Japan. Thus, the routing of Outbound Single-Piece FCMI items is distinctly different than the routing of domestic First-Class Mail.
  - The processing of Outbound Single-Piece FCMI items tends to include more air transportation than domestic First-Class Mail.
  - In FY 2021, there were significant disruptions in air transportation, particularly related to the COVID-19 pandemic.
- d. The Postal Service plans to improve service performance for Outbound Single-Piece FCMI for FY 2022 as outlined in Section II of the Supplement to the Annual Report on Service Performance for Market Dominant Products – Additional Information concerning First-Class Mail International Inbound and Outbound, which the Postal Service included in Folder FY21-29 of the FY 2021 Annual Compliance Report.<sup>8</sup>
- e. FY 2021 on-time performance for Inbound Letter Post Combined was 8.63 points below the FY 2021 target and lower than the FY 2021 results for domestic First-Class Mail for the following reasons.

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<sup>8</sup> See Docket No. ACR2021, USPS-FY21-29, December 29, 2021, file “FY21-29 Supplement – International.pdf,” at 15-23.

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- Processing of Inbound Letter Post is more complex than processing of domestic First-Class Mail because items are addressed by individuals in a large number of countries where different languages are spoken. Thus, additional time is often needed to process certain Inbound Letter Post items as a result of addressing concerns.
  - A large percentage of domestic First-Class Mail items already have barcodes and may be presorted. In contrast, the Postal Service applies barcodes to almost all Inbound Letter Post items, and Inbound Letter Post items are usually not presorted. Thus, a larger percentage of Inbound Letter Post items cannot be processed in the same operation as most of the domestic First-Class Mail items.
- f. The Postal Service plans to improve service performance for Inbound Letter Post for FY 2022 as outlined in Section I of the Supplement to the Annual Report on Service Performance for Market Dominant Products – Additional Information concerning First-Class Mail International Inbound and Outbound, which the Postal Service included in Folder FY21-29 of the FY 2021 Annual Compliance Report.<sup>9</sup>

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<sup>9</sup> See Docket No. ACR2021, USPS-FY21-29, December 29, 2021, file “FY21-29 Supplement – International.pdf,” at 1-15.

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4. The Postal Service reported that for FY 2020, First-Class Mail Flats (Overnight) scored 80.3 percent on-time against a target of 96.80 percent; First-Class Mail Flats (2-Day) scored 77.5 percent on-time against a target of 96.50 percent; and First-Class Mail Flats (3-5-Day) scored 73.4 percent on-time against a target of 95.25 percent.<sup>10</sup> The Postal Service reports that for FY 2021, First-Class Mail Flats (Overnight) scored 75.2 percent on-time against a target of 93.99 percent; First-Class Mail Flats (2-Day) scored 71.7 percent on-time against a target of 89.20 percent; and First-Class Mail Flats (3-5-Day) scored 61.1 percent on-time against a target of 84.11 percent.<sup>11</sup>
- a. Please provide all reason(s) that FY 2021 on-time performance for First-Class Mail Flats declined 5.1 percentage points (for the Overnight service standard), 5.8 percentage points (for the 2-Day service standard), and 12.3 percentage points (for the 3-5-Day service standard) from the level observed in FY 2020.
  - b. Please provide all reason(s) that FY 2021 on-time performance for First-Class Mail Flats was 18.79 points (for the Overnight service standard), 17.5 points (for the 2-Day service standard), and 23.01 points (for the 3-5-Day service standard) below the FY 2021 targets.
  - c. Please explain how the Postal Service plans to improve service performance for First-Class Mail Flats in FY 2022.

**RESPONSE:**

- a. Beginning in March 2020 and continuing throughout the second half of FY 2020, the COVID-19 pandemic affected USPS processing, transportation, retail and delivery operations, leading to a decrease in overall service performance. Employee availability rates dropped significantly across the organization, due to COVID-19 exposure, illness or need to quarantine.

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<sup>10</sup> Docket No. ACR2020, Library Reference USPS-FY20-29, December 29, 2020, file "FY20-29 Service Performance Report.pdf," at 4.

<sup>11</sup> Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 4.



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- b. In FY 2021, the nation continued to contend with the impacts of COVID-19 on the economy and the many disrupted patterns of daily life. These impacts resulted in higher demand for package delivery and affected the business environment for the Postal Service. Hindered by the surge in package volume, as well as decreased employee availability related to COVID, processing facilities did not have the space or processing capacity to manage the increased volume. This gridlock affected all product lines and contributed to the Postal Service not achieving its service performance targets.
- c. The strategies for flats-shaped mail are described in detail in the FY21 Paragraph (f) Report provided in USPS-FY21-45. By way of additional response, Delivery works flats first. One of the activities currently underway via the umbrella of the Vice President Delivery and the Vice President Retail Operations intended to improve service performance by reducing Last Mile failures is the National Joint Service Task Force. Its purpose is to identify actionable opportunities for improvements to key service indicators while keeping the focus on processes and the people doing the work. In addition, best practices are shared bi-weekly by Retail and Delivery Operations with District field managers. We are also sharing visualizations for SPM Last Mile scanning and training opportunity employees. Continuous feedback and training are key components to the mail delivery process, and we will continue engaging our employees with enhanced knowledge through service talks and Standard Work Instructions. Real time data

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visualization tools are available at all management levels through Informed  
Visibility dashboards. This is an ongoing process

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5. In its FY 2020 ACR, the Postal Service identified four initiatives it was pursuing to improve service performance for international services, including Outbound Single-Piece First-Class Mail International and Inbound Letter Post.<sup>12</sup> The initiatives were: (1) measured targets for Tour Turnover between tours for all operational categories during shift changeover; (2) measured machine utilization performance compared to machine/operational capabilities; (3) measured Run Plan Generator machine run plan performance against plan; and (4) visual service/operational failure analysis (Grid Analysis). *Id.* In response to an information request, the Postal Service stated that implementation of these four initiatives started at the end of FY 2021 Quarter 1.<sup>13</sup> For each of the four initiatives:
- a. Identify the metric(s) used to quantify the impact on service performance.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.

**RESPONSE:**

- a. The following metrics were used to quantify the impact on service performance for each of the four initiatives.

For measured targets for Tour Turnover between tours for all operational categories during shift changeover, the metrics used were assessments of floor conditions at the end of each tour that were shared with the incoming tour's team. As set forth in the FY2020-29 Service Performance Report, at 9-10, steps taken include:

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<sup>12</sup> Docket No. ACR2020, Library Reference USPS-FY20-29, file "FY20-29 Service Performance Report.pdf," at 9-12.

<sup>13</sup> Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-30 of Chairman's Information Request No. 5, February 2, 2021, question 6.

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- Coordinated efforts between ISCs and Processing & Distribution Centers (P&DCs) to ensure Volume Arrival Profiles (VAPs) are met and that First In First Out (FIFO) is followed.
- Established "Pitch & Catch" from ISC to P&DC for flow of letter and flat volumes to ensure receipt.
- Communicated with the ISCs and P&DCs to ensure utilization of sort programs under operation # 848 (International Import Letters Processing) for volume tracking and verification of process.<sup>14</sup>

For measured machine utilization performance compared to machine/operational capabilities, the metrics used included measurements of utilization of Mail Processing Equipment (MPE) against capacity, which were designed

- to assess issues resulting from volume versus capacity, so that mail flow could be adjusted appropriately, and
- in conjunction with Run Plan Generator (RPG) machine run plan performance against plan, so that start and end times for various processes could be adjusted accordingly.

As set forth in the FY2020-29 Service Performance Report, at 10, steps taken include

- Reviewed the Machine Operational Performance Report to monitor machine utilization for optimized productivity and performance.
- ISC Run Plan Generator (RPG) Utilization Report reviewed daily to drive productivity and utilization of processing equipment for optimum service.<sup>15</sup>

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<sup>14</sup> Docket No. ACR2020, USPS-FY20-29, file "FY20-29 Service Performance Report.pdf," at 9-10.

<sup>15</sup> Docket No. ACR2020, USPS-FY20-29, file "FY20-29 Service Performance Report.pdf," at 10.

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For measured Run Plan Generator (RPG) machine run plan performance against plan, as set forth in the FY2020-29 Service Performance Report, at 10-11, the metrics included the following.

- Daily review of RPG modeling through the use of the RPG Scorecard to ensure compliance and drive functional planning for processing letter and flat volumes to meet operating plans. The following categories and metrics are what are reviewed daily to gauge the actual performance of a facility against the planned performance, so the operating plans and service performance are met:
  - V = Volume (+/-15% of planned volume) 30% weighted
    - Used to control planning volumes against work hours for budget control
  - T = Throughput ( $\geq 90\%$  of planned throughput) 15% weighted
    - Used to monitor throughput performance for machine utilization and processing operations meeting operating plans
  - S = Start time (31 minutes early to 15 late) 15% weighted
    - Used to monitor Pre-tour overtime and schedule planning
  - E = End time ( $\leq 15$  minutes of planned end time) 30% weighted
    - Used to monitor post-tour overtime and schedule planning
  - M = Number of machine used (0) 10% weighted
    - Used to control unnecessary use of machines and to control work hours and additional equipment usage.<sup>16</sup>

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11. <sup>16</sup> Docket No. ACR2020, USPS-FY20-29, file "FY20-29 Service Performance Report.pdf," at 10-

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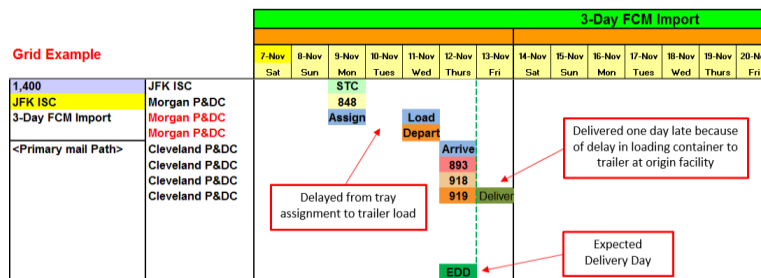
For use of visual service/operational failure analysis (Grid Analysis), as set forth in the FY2020-29 Service Performance Report, at 11-12,

- Grid Analysis is a way of displaying failure points in the mail processing and transportation piece of mail flows. This technique is a way of showing “pinch-points” in the following areas: Mail Processing Equipment (MPE) utilization and processing to RPG to meet the operating plan, arrival and unloading of mail volumes to meet Critical Entry Times (CET), staging and dispatching to meet network flows, and final processing to the carrier through Delivery Point Sequence (DPS) or carrier route operations. This is used to show a roadmap of failure points to the processing centers. Example categories reviewed for service issues are as follows:
  - **Start the Clock (STC)** – Establishes the start-time for calculated service standard
  - **Operation #848** on the DIOSS (letter processing machine) signifies the origin processing scan on the letter
    - Piece to tray nesting is in development to give visibility to the nesting of a letter to a tray and then the scan events of that tray moving the letter throughout the network
  - **Assign/Build** scan of a mail container to show nesting of a tray to a container
  - Container **Load** scan to a trailer to show container to trailer nesting
  - Trailer **Depart** scan to show departure from origin facility
  - Destination **Arrival** scan to show arrival time of trailer
  - **Unload** scan to show unloading of trailer and movement of mail container into facility for processing
  - Destination sort program **processing operations** to show processing scans for movement of mail throughout the facility all the way to dispatch for delivery.<sup>17</sup>

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12. <sup>17</sup> Docket No. ACR2020, USPS-FY20-29, file “FY20-29 Service Performance Report.pdf,” at 11-

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- b. The following paragraphs provide information about the quantification, with supporting documentation, of the impact on service performance for Outbound Single-Piece FCMI and Inbound Letter Post for FY 2021 of each of the four initiatives.

For measured targets for Tour Turnover between tours for all operational categories during shift changeover, during FY 2021, the steps outlined in the response to Question 5.a. were taken between tours at each facility, but data from each tour was not entered into a centralized system, and no data comparison was made between turnovers or time periods. Thus, no quantification with supporting documentation of the impact of the Tour Turnover process on service performance for Outbound Single-Piece FCMI and Inbound Letter Post for FY 2021 is available.

For measured machine utilization performance compared to machine/operational capabilities, during FY2021, the steps outlined in the response to Question 5.a. were taken, but there is no quantification, with supporting documentation, of the overall impact on service performance for Outbound Single-Piece FCMI and Inbound Letter Post for FY 2021 of

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the use of the Machine Operational Performance Report, or ISC Run Plan Generator (RPG) Utilization Report.

For measured Run Plan Generator (RPG) machine run plan performance against plan, during FY2021, the procedures set forth in the response to Question 5.a. were implemented, but there is no quantification, with supporting documentation, of the overall impact on service performance for Outbound Single-Piece FCMI and Inbound Letter Post for FY 2021 of the use of measured RPG machine run plan performance against plan.

For use of visual service/operational failure analysis (Grid Analysis), the procedures set forth in the response to Question 5.a. were implemented, but they were applied to domestic mail flows in general and therefore, the resulting information did not include anything specific concerning Outbound Single-Piece FCMI and Inbound Letter Post items. Therefore, there is no quantification, with supporting documentation of the overall impact on service performance for Outbound Single-Piece FCMI and Inbound Letter Post of the use of Grid Analysis.

- c. For measured targets for Tour Turnover between tours for all operational categories during shift changeover, quantitative information of its overall impact on service performance for Outbound Single-Piece FCMI and Inbound Letter Post for FY 2021 is not available. However, daily Tour



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Turnover meetings reduced the amount of time for incoming tours to adjust to the current conditions on the floor, and thereby likely improved service performance for Outbound Single-Piece FCMI and Inbound Letter Post for FY 2021.

For measured machine utilization performance compared to machine/operational capabilities, quantitative information of its overall impact on service performance for Outbound Single-Piece FCMI and Inbound Letter Post for FY 2021 is not available. However, the use of measured machine utilization performance compared to machine/operational capabilities led to improvements in meeting the operating plan within a processing center which correlates to service performance for Outbound Single-Piece FCMI and Inbound Letter Post for FY 2021.

For measured RPG machine run plan performance against plan, quantitative information of its overall impact on service performance for Outbound Single-Piece FCMI and Inbound Letter Post for FY 2021 is not available. However, the use of RPG machine run plan performance against plan led to improvements in meeting the operating plan within a processing center which correlates to service performance for Outbound Single-Piece FCMI and Inbound Letter Post for FY 2021.

For Grid Analysis, quantitative information of its overall impact on service performance for Outbound Single-Piece FCMI and Inbound Letter

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Post for FY 2021 is not available. However, the use of Grid Analysis against plan in relation to the domestic mail flow likely improved service performance for Outbound Single-Piece FCMI and Inbound Letter Post for FY 2021.

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6. The Postal Service reported that for FY 2020, USPS Marketing Mail Parcels scored 96.7 percent on-time against a target of 91.8 percent.<sup>18</sup> The Postal Service reports that for FY 2021, USPS Marketing Mail Parcels scored 52.7 percent on-time against a target of 86.62 percent.<sup>19</sup>
- a. Please provide all reason(s) that FY 2021 on-time performance for this product declined 44.0 percentage points from the level observed in FY 2020 and is 33.92 points below the FY 2021 target.
  - b. Please explain how the Postal Service plans to improve service performance for this product for FY 2022.

**RESPONSE:**

- a. The Postal Service recently discovered that the changes made in the source system in October 2020 caused a flaw in the logic used to generate the service scores for USPS Marketing Mail Parcels. The changes caused the measurement system to revert to inaccurate start-the-clock event for destination entered USPS Marketing Mail Parcels. The significant decline in on-time performance for USPS Marketing Mail Parcels is attributed to this. The Postal Service is reviewing the situation.
- b. The Postal Service will make correction to the start-the-clock logic on February 1, 2022.

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<sup>18</sup> Docket No. ACR2020, Library Reference USPS-FY20-29, file "FY20-29 Service Performance Report.pdf," at 14.

<sup>19</sup> Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 10.

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7. For each End-to-End USPS Marketing Mail product with a 6-10-day service standard, please provide the volume and the percent of total USPS Marketing Mail volume that is End-to-End and has a 6-10-day service standard for FY 2021.<sup>20</sup>

**RESPONSE:**

<b>USPS Marketing Mail Product</b>	<b>Measured Volume</b>
High Density/Saturation Letters	101,865,464
High Density/Saturation Flats/Parcels	5,949,223
Carrier Route	24,860,715
Letters	2,530,516,075
Flats	305,999,232
Parcels	3,842,486
EDDM-Retail	0

<b>USPS Marketing Mail Product</b>	<b>Percent of Total Measured Volume of the Product</b>	<b>Percent of Total Measured Marketing Mail</b>
High Density/Saturation Letters	2.02%	0.22%
High Density/Saturation Flats/Parcels	0.16%	0.01%
Carrier Route	0.74%	0.05%
Letters	8.07%	5.55%
Flats	16.90%	0.67%
Parcels	15.91%	0.01%
EDDM-Retail	0.00%	0.00%

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<sup>20</sup> See Docket No. ACR2020, Response to CHIR No. 1, question 23.

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8. The Postal Service states that its efforts to improve service performance for USPS Marketing Mail products in FY 2021 included using Mail Processing Performance visualization to identify opportunities for processing improvements.<sup>21</sup>
- a. Identify the metric(s) used to quantify the impact of Mail Processing Performance visualization on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - d. If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts of Mail Processing Performance visualization on service performance for FY 2022.
  - e. If the Postal Service does not intend to continue this program, please explain why not.

**RESPONSE:**

- a. The Postal Service is unable to quantify the impact of the Mail Processing Performance (MPP) visualization on service performance.
- b. The Postal Service is unable to quantify the impact of the MPP visualization on service performance.
- c. The Postal Service is unable to quantify the impact of the MPP visualization on service performance because it is not possible to isolate the effect of the visualization on service performance independent of other factors. However, the Postal Service regards MPP as an important tool that provides insight into processing scores and failed pieces to help identify opportunities for processing

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<sup>21</sup> Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 13.

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improvements. The Postal Service actively uses the insights gained from MPP to implement actions to improve service performance and believes that the utilization of and reaction to MPP has a positive effect on service performance.

- d. The Postal Service intends to continue utilizing MPP as one of many factors that contributes to service improvement as measured by Service Performance Measurement.
- e. Not applicable.

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9. As part of its explanation for both Periodicals products failing to meet their service performance targets in FY 2021, the Postal Service states that as a result of COVID-related employee unavailability, it was required to divert employees from manual operations, including manual processing of newspapers (which make up a significant proportion of Periodicals), to automated and mechanized operations. *Id.* at 17. Please state whether the Postal Service is able to quantify the number of employees diverted from manual to automated processing operations in FY 2021 as a result of COVID-related employee unavailability. If so, please provide this number.

**RESPONSE:**

The Postal Service is unable to quantify the number of employees diverted from manual to automated processing operations in FY 2021 as a result of COVID-related employee unavailability.

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- 10.** The Postal Service states that its efforts to improve service performance for Periodicals products in FY 2021 included: (1) right-sizing flats processing by removing excess Flats Sequencing System (FSS) machines; (2) the FSS Compression Initiative, which began in mid-FY 2021; (3) focusing on “four wall” processing; (4) focusing on Division-level cycle time improvements; (5) use of Mail Processing Performance visualization in Informed Visibility; and (6) use of the Mailer Irregularity Application to reduce handling of poorly prepared pallets and bundles. *Id.* at 17-19. For each of the six initiatives:
- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - d. For each of these strategies, please state whether the Postal Service intends to continue pursuing it in FY 2022.
  - e. For each initiative the Postal Service intends to continue, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - f. For each initiative the Postal Service does not intend to continue, please explain why the Postal Service will not continue the initiative.

**RESPONSE:**

- a. Service performance for Periodicals is measured through the Internal Service Performance Measurement (SPM) system. The Postal Service cannot determine how each initiative has affected service performance.
- b. The initiatives cannot be quantified as a metric to improve service improvement but appear to be working as seen by FY 2021 quarterly service scores for Periodicals, as shown below.

Periodicals	FY2021				FY2021
	Quarter I	Quarter II	Quarter III	Quarter IV	Variance between Quarter IV and Quarter I
	% On-Time	% On-Time	% On-Time	% On-Time	
In-County	69.8	71.5	79.0	82.7	12.9
Outside County	69.5	70.9	78.2	82.2	12.8



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- c. It is neither possible to identify with certainty which initiatives contributed to a particular result nor to isolate the effects of each initiative. The Postal Service is capable only of identifying the metrics that it believes ought to change in response to each initiative.
- d. The initiatives stated above will be continued in FY 2022.
- e. Initiatives cannot be quantified.
- f. Not applicable.

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- 11.** Please confirm that the Postal Service did not track the volume of Bound Printed Matter (BPM) Flats and Media Mail/Library Mail that was manually processed in FY 2021. See Docket No. ACR2020, Response to CHIR No. 1, question 27.

**RESPONSE:**

Confirmed.

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- 12.** Please confirm that data are not readily available to identify the top root causes for BPM Flats and Media Mail/Library Mail in FY 2021. See *id.* question 26.

**RESPONSE:**

Data are available for BPM Flats, but data are not available for Media Mail/Library Mail.

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- 13.** Please quantify the volume and percentage of BPM Flats that were advanced to day zero in FY 2021. See *id.* question 28.

**RESPONSE:**

Processed on Day 0?	% of Measured Volume	Measured Volume
Y	32.64%	10,850,504
N	67.36%	22,396,572

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- 14.** The Postal Service reports that it is considering shifting processing of Media Mail/Library Mail from the network distribution center (NDC) network to using processing and distribution centers.<sup>22</sup>
- a. Please describe how these actions are expected to improve service performance for Media Mail/Library Mail.
  - b. Please describe the expected timeframe for implementing this potential shift.

**RESPONSE:**

- a. The Postal Service intends to transform their logistics and processing network to better align with today's changing mail volumes. Options that are being evaluated include transition to a single surface network, and implementation of shape-based processing versus current class-based processing. By streamlining the network and eliminating processing steps, the Postal Service believes there are opportunities to concurrently improve productivity and service.
- b. Once the design of the new network is finalized and approved, an implementation plan will be developed.

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<sup>22</sup> Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 23.

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- 15.** As part of its mitigation plan for service performance for flat-shaped mailpieces in FY 2021, the Postal Service stated that the Flat Mailer Industry work team would continue to meet.<sup>23</sup>
- a. Please discuss how the strategies developed by the Flat Mailer Industry work team impacted on-time service performance results during FY 2021.
  - b. Please state whether the Flat Mailer Industry work team will continue to meet in FY 2022.
  - c. If the answer to part b. of this question is yes:
    - i. Please discuss the impact that the strategies developed by the Flat Mailer Industry work team are expected to have on FY 2022 on-time service performance results.
    - ii. Please explain how the Postal Service plans to monitor the efficacy of strategies developed by the Flat Mailer Industry work team during FY 2022.

**RESPONSE:**

- a. During 2021, the Flat Mailer Industry work team focused on projects to reduce overall costs of flats value stream. This included transition from FSS processing, minimization of sacks as a network container and a redesign of the Postal Service's logistics and processing network. The Flat Mailer Industry work team played a critical role in testing and determining the Postal Service's Peak Season FSS plan.
- b. There is significant interest from both the Flat Mail industry and the Postal Service to continue this work team. During 2022, the team intends to finalize methods to minimize the usage of sacks as a mail container, assist with transition

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<sup>23</sup> Docket No. ACR2020, Library Reference USPS-FY20-29, file "FY20-29 Service Performance Report.pdf," at 23.

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plans for the reduction of FSS, and develop strategies to reduce costly "working" flats volumes.

c.

- i. In addition, the Flat Industry Mail work team is evaluating the impact of a single surface network and shape-based processing on their mail preparation and entry. Various team members are modeling the potential network changes and sharing results so that the final network design can provide the best, most reliable service at a cost that will positively impact the mailing industry and the Postal Service.
- ii. The Postal Service will continue to review the costs of flats processing.

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- 16.** As part of its plan to improve service performance for BPM Flats in FY 2020, the Postal Service stated that it would focus on using the Cycle Time Diagnostics tool.<sup>24</sup> As part of its plan to improve service performance for BPM Flats in FY 2022, the Postal Service states that it will continue to rely on the Cycle Time Diagnostics tool.<sup>25</sup>
- a. Identify the metric(s) used to quantify the impact of efforts to reduce Work in Process cycle time on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - d. If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts of Mail Processing Performance visualization on service performance for FY 2022.
  - e. If the Postal Service does not intend to continue this program, please explain why not.

**RESPONSE:**

- a. The Postal Service compares cycle time data to on-time percent data to determine the impact of efforts to reduce cycle time on service performance.  
  
Cycle time is a leading indicator that can signal potential processing bottlenecks that may lead to service failures. An increase in cycle time may be correlated with a decrease on-time percent; as total processing time increases, this can lead to an increase in the number of days to delivery.
- b. The chart below demonstrates that as cycle time for BPM flats decreased from Quarter 1 to Quarter 4 of FY 2021, on-time percent (as represented by the

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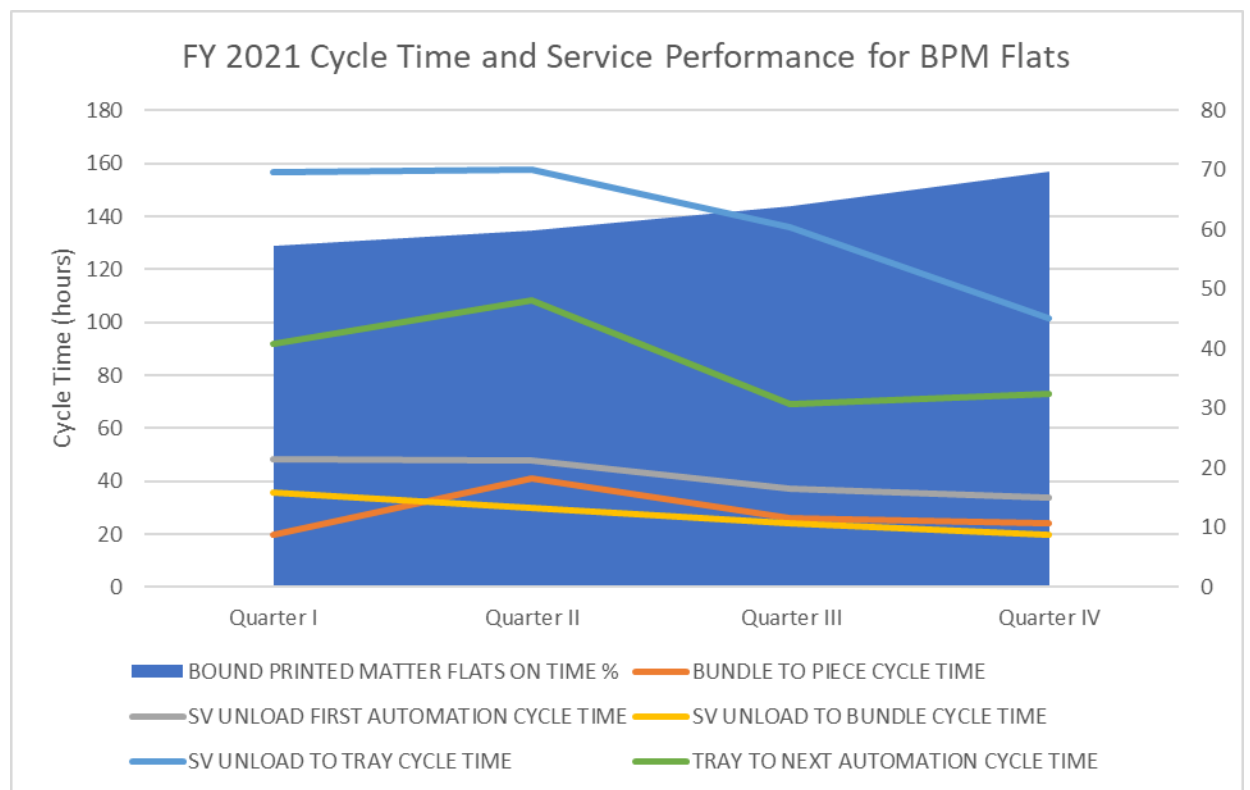
<sup>24</sup> Docket No. ACR2019, Library Reference USPS-FY19-29, December 27, 2019, file "FY19-29 Service Performance Report.pdf," at 24-25.

<sup>25</sup> Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 23.



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shaded area) increased. Similar correlations can be drawn with other Market Dominant products.



- c. Not applicable.
- d. The response to this subpart presumes that, like the other subparts of this question, the intended subject is the Cycle Time Diagnostics tool, rather than the Mail Processing Performance visualization already addressed in response to question 8 of this Information Request. The Postal Service plans to continue using the Cycle Time Diagnostics tool. The Postal Service will continue to compare cycle time data to on-time percent data to quantify the impact of efforts to reduce cycle time on service performance.

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- e. Not applicable.

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- 17.** The following questions involve the Post Office Box dashboard, which was implemented in FY 2020. *Id.* at 27; see also Docket No. ACR2020, Response to CHIR No. 1, question 31.
- a. Identify the metric(s) used to quantify the impact of the Post Office Box dashboard on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact is unavailable, explain why it is unavailable and provide a qualitative description of the impact on service performance.

**RESPONSE:**

- a-b. Quantitative support is not available as the PO Box dashboard uses Service Performance Measurement (SPMS) to monitor actual PO Box distribution up-time.
- c. The Post Office Box Dashboard is a tool to provide field management with the ability to better manage PO Box performance.

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- 18.** The Postal Service states that, with respect to Post Office Box Service, the Postal Service “continue[d] to struggle and suffer significant impacts related to COVID . . . .”<sup>26</sup> Please explain how specifically the ongoing COVID-19 pandemic affected Post Office Box uptime in FY 2021.

**RESPONSE:**

The ongoing COVID-19 pandemic negatively has impacted employee availability at post offices. The reduced number of available employees presents a challenge for the Function 4 operation to complete distribution in a timely manner and is a direct impact to PO Box distribution up-time.

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<sup>26</sup> Library Reference USPS-FY21-29, file “FY21-29 Service Performance Report.pdf,” at 27.

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- 19.** As part of its efforts to improve service performance for Post Office Box Service in FY 2021, the Postal Service states that it: (1) performed function 4 reviews and (2) updated Integrated Operating Plans and e1994 (with further adjustments made at the local level). *Id.* at 27-28. For each initiative:
- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.

**RESPONSE:**

- a-b. Quantitative support is not available as Function 4 Reviews, Integrated Operating Plans, and e1994 are processes and tools utilized at facilities to help align staffing and/or improve workload management.
- c. These tools provide field management with the ability to better manage performance.

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- 20.** As part of its plan to improve service performance for Post Office Box Service for FY 2022, the Postal Service states that it plans to: (1) refresh Integrated Operating Plans; (2) update the Mail Arrival Quality and Plant Arrival Quality computer-based program; (3) perform function 4 reviews in opportunity sites; and (4) improve performance communication to the field and provide additional training support as needed. *Id.* at 28. For each of the four initiatives:
- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.

**RESPONSE:**

- a-b. Quantitative support is not available as Integrated Operating Plans, Mail Arrival Quality & Plant Arrival Quality and Function 4 Reviews are processes, tools and programs utilized at facilities to help align staffing and/or improve workload management. USPS continues to provide employees with Standard Work Instructions, Service Talks and Learn & Grow training to support performance improvement.
- c. These tools provide field management with the ability to better manage performance.

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- 21.** As part of its plan to improve service performance for Ancillary Services for FY 2022, the Postal Service states that it plans to: (1) conduct service talks with employees and provide Standard Work Instructions; (2) conduct training; and (3) monitor service performance metrics to develop improvement plans and share best practices. *Id.* For each of the three initiatives:
- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - d. Please explain how the Postal Service plans to monitor the efficacy of these strategies during FY 2022 and identify the metric(s) that will be used.

**RESPONSE:**

- a-b. Quantitative support is not available for service talks, Standard Work Instructions, training, improvement plans and sharing of best practices. There is no direct correlation to identify impacts of these communication tools on performance metrics.
- c. These tools provide field management with the ability to better manage performance.
- d. The Postal Service continues to evaluate processes, procedures and technology to improve Ancillary Service performance.

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- 22.** With respect to Ancillary Services, the Postal Service asserts that “Green card on-time performance was the biggest opportunity for improvement in FY [20]21 . . . performing at 58 percent . . . ,” which was down from 81 percent in FY 2020. *Id.* In Order No. 5576, in which the Commission provided final approval to the Postal Service to use Internal SPM as the official system of measurement and reporting for Return Receipt Service, the Commission ordered the Postal Service, in the first ACR based on data from SPM for the Green Card option of Return Receipt Service, to explain any significant service performance discrepancies between SPM versus the legacy reporting systems and propose a method of comparing SPM versus legacy service performance data. See Order No. 5576 at 2, 11.
- a. Please explain any significant discrepancies in service performance results between SPM and the legacy reporting systems for the Green Card option of Return Receipt Service.
  - b. Please propose a method of comparing SPM versus legacy service performance data for the Green Card option of Return Receipt Service.
  - c. Please provide all reason(s) that FY 2021 on-time performance for the Green Card option of Return Receipt Service was lower than the FY 2021 Ancillary Services target of 90.0 percent and lower than other categories within Ancillary Services.
  - d. Please describe the Postal Service’s plans to improve service performance for the Green Card option of Return Receipt Service in FY 2022.

**RESPONSE:**

- a. The Postal Service described the methodologies used to calculate service performance for the current SPM measurement system (USPS-LR-PI2021-3/2 - Revised USPS Service Performance Measurement Plan) and the legacy SPM measurement system (USPS-LR-PI2019-1/1 - Modification of USPS Service Performance Measurement Plan), respectively; these references explain differences between the legacy process and the SPM measurement system.



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Service performance scores produced by both systems are valid but will not align precisely.

- b. Both measurement systems were designed to provide valid results, and the Postal Service considers the legacy system comparable to the SPM system at least insofar as comparing results is concerned.
- c. On-time performance of Return Receipt Service is a direct result of scanning of barcodes at the time mail pieces are delivered or attempted and scanning of the green card barcodes at the time they are returned to the sender.
- d. The Postal Service will continue its focus on service performance for the green card option of Return Receipt Service by providing additional Service Talks and incorporating Learn & Grow training opportunities for employees.

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- 23.** Please refer to the point impact data provided for First-Class Mail, USPS Marketing Mail, and Periodicals.<sup>27</sup> For each of these data sets, please answer the following questions.
- a. Please confirm that these data refer to the amount (number of percentage points) by which on-time performance decreased due to each specific root cause of failure. If not confirmed for each data set, please explain.
  - b. Please provide definitions and the hierarchy for assignment and assessment for the full set of root causes for each class of mail, including each type of "Root Cause" appearing in each Excel file.
  - c. For each class, please identify which products are included in these data.
  - d. Please explain how these data were calculated.
  - e. Please confirm that a root cause failure indicator is not assigned to a mailpiece that is delivered within its applicable service standard. If not confirmed, please explain.
  - f. Please confirm that no more than one root cause failure indicator is assigned per mailpiece. If not confirmed, please explain.

**RESPONSE:**

- a. Confirmed.
- b. Root cause definitions and the hierarchy for assignment and assessment are included in the Excel file that accompanies these responses.
- c. First-Class Mail – All product  
  
USPS Marketing Mail – All products with the exception of USPS Marketing Mail  
  
Parcels, Every Door Direct Mail (EDDM) and Saturation Mail.  
  
Periodicals – All products

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<sup>27</sup> Library Reference USPS-FY21-29, Excel files "FY21 FCM Q1 Point Impact for Area.xlsx," "FY21 FCM Q1 Point Impact for Nation.xlsx," "FY21 Marketing Mail Root Cause.xlsx," "FY21 Periodicals Root Cause.xlsx," Library Reference USPS-FY21-NP30, December 29, 2021, Excel file "NONPUBLIC FY21 Q3-Q4 SPFC International.xlsx."

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- d. These data were calculated by taking total failed volume attributed to each root cause divided by total failed volume attributed to all root causes multiplied by failure rate (((Failed Volume Attributed to Each Root Cause / Total Failed Volume Attributed to All Root Causes) \* (Total Failed Volume / Total Volume)) \* 100).
- e. Confirmed.
- f. Confirmed.

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- 24.** In its FY 2021 ACR, the Postal Service emphasizes improvements in service performance that occurred during the second half of FY 2021 (*i.e.*, the third and fourth quarters), “as the effects of the pandemic on transportation and absenteeism waned somewhat . . . and as the Postal Service worked to stabilize and improve operations and address the substantial increase in package volume . . . .” FY 2021 ACR at 49, 51-52. As the Commission has previously noted, however, service performance scores have long displayed a strong seasonal trend, with results in the first half of the fiscal year, Quarters 1 and 2 (*i.e.*, during the holiday shopping season, when mail volumes are highest), being significantly worse than results in the second half of the fiscal year, Quarters 3 and 4.<sup>28</sup>
- a. Does the Postal Service consider the improvements in service performance that occurred during the second half of FY 2021 representative of improvements in annual service performance trends, as opposed to typical seasonal variation?
  - b. If yes, please explain in detail what circumstances unique to FY 2021 make it an exception to the general seasonal trend.

**RESPONS:**

- a. The Postal Service does consider the improvements in service performance that occurred during the second half of FY 2021 representative of improvements in annual service performance trends, as opposed to typical seasonal variation.
- b. The COVID-related surge in package volume during peak season FY 2021 and resultant gridlock caused a steeper decline in service performance during Quarters 1 and 2 than can be attributed to seasonal variation. Figure 1 shows the decline in on-time percent from FY 2020 Quarter 1 to FY 2021 Quarter 1 for Market Dominant products; similar trends exist with Competitive products. In response, the Postal Service implemented several strategies in the second half

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<sup>28</sup> See, e.g., Docket No. ACR2020, *Annual Compliance Determination*, March 25, 2020, at 165; Docket No. ACR2019, *Annual Compliance Determination*, March 25, 2020, at 105.

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of FY 2021 to directly address the unique circumstances and prevent gridlock from occurring again. These strategies include the acquisition of Package Support Annexes, hiring of more employees, and purchase of additional package sorting equipment.

USPS Marketing Mail®	FY2021 to FY2020 Comparison			
	Quarter I	Quarter II	Quarter III	Quarter IV
	Variance	Variance	Variance	Variance
High Density and Saturation Letters	-5.5	-3.4	0.8	6.7
Carrier Route	-8.0	-11.5	5.3	6.7
Letters	-3.6	-5.1	0.9	7.5
Flats	-9.3	-15.0	5.2	10.6
EDDM-Retail	-1.7	-2.7	-3.3	2.4
Parcels	-46.7	-50.2	-41.6	-33.5
Mixed Product Marketing Letters	-4.5	-3.7	-2.3	5.9
Mixed Product Marketing Flats	-2.8	-5.7	8.7	46.0
Periodicals	FY2021 to FY2020 Comparison			
	Quarter I	Quarter II	Quarter III	Quarter IV
	Variance	Variance	Variance	Variance
In-County	-15.0	-15.5	2.1	8.4
Outside County	-15.0	-15.8	1.6	8.1
First-Class Mail®	FY2021 to FY2020 Comparison			
	Quarter I	Quarter II	Quarter III	Quarter IV
	Variance	Variance	Variance	Variance
Single-Piece Letters/Postcards*				
Two-Day	-10.3	-6.9	-1.4	2.5
Three-To-Five-Day	-23.9	-25.6	-7.7	3.1
Presort Letters/Postcards				
Overnight	-3	-3	-0.4	1.8
Two-Day	-8.7	-9.5	-1.1	2.5
Three-To-Five-Day	-13.2	-18.7	-4.7	2.3
Package Services	FY2021 to FY2020 Comparison			
	Quarter I	Quarter II	Quarter III	Quarter IV
	Variance	Variance	Variance	Variance
Bound Printed Matter Flats	5	-1.9	6.6	12.2
Bound Printed Matter Parcels	-1.6	-2.3	-0.3	0.6
Media Mail®/Library Mail	-13.1	-15.5	9.2	11.4

Figure 1

Not only did service performance improve from the beginning of FY 2021 to the end (as shown in Figure 2), it improved from Quarter 4 of FY 2020 to Quarter 4 of FY 2021 in all but one Market Dominant product (as shown in

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Figure 1). Both Quarter 4 of FY 2020 and Quarter 4 of FY 2021 occurred during the COVID-19 pandemic; therefore, the Postal Service views the strategies cited above as the most likely explanation for the year-over-year gains.

USPS Marketing Mail®	FY2021				FY2021
	Quarter I	Quarter II	Quarter III	Quarter IV	Variance between Quarter IV and Quarter I
	% On-Time	% On-Time	% On-Time	% On-Time	
High Density and Saturation Letters	88.2	91.6	95.6	96.2	8.0
Carrier Route Letters	81.9	82.0	89.6	92.4	10.4
Flats	85.9	86.9	92.2	94.2	8.4
EDDM-Retail	69.1	66.9	76.9	82.7	13.7
Parcels	73.6	75.3	76.4	77.3	3.8
Mixed Product Marketing Letters	51.7	48.3	54.1	58.5	6.7
Mixed Product Marketing Flats	77.3	75.8	80.6	83.6	6.3
	50.1	47.2	60.7	93.6	43.5

Periodicals	FY2021				FY2021
	Quarter I	Quarter II	Quarter III	Quarter IV	Variance between Quarter IV and Quarter I
	% On-Time	% On-Time	% On-Time	% On-Time	
In-County	69.8	71.5	79.0	82.7	12.9
Outside County	69.5	70.9	78.2	82.2	12.8

First-Class Mail®	FY2021				FY2021
	Quarter I	Quarter II	Quarter III	Quarter IV	Variance between Quarter IV and Quarter I
	% On-Time	% On-Time	% On-Time	% On-Time	
Single-Piece Letters/Postcards*					
Two-Day	82	86.7	91.6	91.4	9.4
Three-To-Five-Day	54.8	58.6	74.8	76.1	21.3
Presort Letters/Postcards					
Overnight	91.6	93.1	95.5	94.8	3.2
Two-Day	85	85.1	92.4	92.5	7.5
Three-To-Five-Day	78.3	74	86.2	87.2	8.9

Package Services	FY2021				FY2021
	Quarter I	Quarter II	Quarter III	Quarter IV	Variance between Quarter IV and Quarter I
	% On-Time	% On-Time	% On-Time	% On-Time	
Bound Printed Matter Flats	57.2	59.8	63.9	69.7	12.5
Bound Printed Matter Parcels	97.3	96.6	97.7	98.5	1.2
Media Mail®/Library Mail	74.7	73.8	84.2	86.7	12.0

Figure 2

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- 25.** As part of its efforts to improve service performance for First-Class Mail in FY 2021, the Postal Service asserts that it “continued using the same performance improvement strategies that were in place in FY 2020 and which will also remain in FY 2022, along with the Postal Service’s *Delivering for America* Plan.”<sup>29</sup>
- a. Please identify and describe all Market Dominant service improvement strategies and/or initiatives that were in place during FY 2021 and the corresponding class of Market Dominant mail to which each strategy/initiative applies.
  - b. Please identify and describe all Market Dominant service improvement strategies and/or initiatives that will be in place during FY 2022 and the corresponding class of Market Dominant mail to which each strategy/initiative applies.

**RESPONSE:**

- a. In FY 2021, a number of key technological tools that provide transparency and visibility at the unit level were implemented; these include National Delivery Intelligence (NDI). It uses the day’s breadcrumbs compared to known active delivery points (DPF), scanning events & clock-rings to provide data as it relates to: 3-day view of success, Routes 100% not delivered (RND) & Percent of routes delivered (CDI). A route is included on the Routes Not Delivered report if all 3 items that follow, occurred: 1) There were no street scans (package scans); 2) less than 15 minutes of one-minute breadcrumbs; and 3) no TACS clock ring to the street event for the route. Also developed was the Daily Triangulation Report. In which a group of Key Performance Metrics are used to evaluate current conditions of delivery units. The Metrics are separated into 2 categories

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<sup>29</sup> Library Reference USPS-FY21-29, file “FY21-29 Service Performance Report.pdf,” at 6.

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Mail KPI and Parcel KPI. The data for each category is weighted to provide a ranking of the delivery units. The data can be sorted to specific Regions, Tier, MPOO, District and PCES Post Offices. The Top 10 page is sorted to a Tile format to show delivery units that have greatest concerns based on each individual KPI metric. The Hot list provides the 20 delivery units that show the most occurrences in individual KPI. In addition, on site GEMBAS were conducted that stressed FIFO adherence. These strategies/initiatives identified should apply to all classes of Market Dominant mail and parcels. In addition, please refer to the chart below. The strategies are described in more detail in the FY 2021 USPS Division Report, FY21-29 Service Performance Report, and FY 2021 Paragraph (f) Report.

Strategy	Applicable Class of Market Dominant Mail
Use of Informed Visibility (IV) tools to investigate Last Mile failures	First-Class Mail
Site-specific operating plans	First-Class Mail
MAQ/PAQ system	First-Class Mail
Expansion of STC operations	First-Class Mail
Use of IV tools to identify late-arriving mail	First-Class Mail
Increasing bundle capacity through bin expansion and added machines	Periodicals & Marketing Bundle Flats
Focus on cycle time improvements	First-Class Presort, Marketing Mail, & Periodicals
FSS compression	All Flat Products
Use of Mail Processing Performance visualization/grid initiative	All Letter & Flat Products
Advancement of Marketing Mail	Marketing Mail
Use of FIFO order	All Market Dominant Products
Equipment right-sizing	All Market Dominant Products
Labeling list updates	All Market Dominant Products

- b. The Postal Service plans to continue deploying the strategies listed above in FY 2022. In addition, the Postal Service plans to begin its network transformation in FY 2022 as outlined in the Delivering for America plan and discussed further in the response to Question 14 of this Information Request. In addition, a new



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component of Delivery Condition Visualization (DCV) currently called the "Route Survey Dashboard" is under development; in this, delivery unit management will be reporting routes (or portions thereof) not delivered in detail. These strategies/initiatives are expected to benefit all Market Dominant products.

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- 26.** The Postal Service states that it mitigated the impact of transit failures on service performance results “by increasing the fluidity of the network through initiatives such as adding space through Package Support Annexes (PSAs) and the ‘3PK9’ program . . . .”<sup>30</sup> For each of these initiatives:
- a. Please explain in detail the nature of these initiatives.
  - b. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - c. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - d. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - e. For each initiative the Postal Service intends to continue, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - f. For each initiative the Postal Service does not intend to continue, please explain why the Postal Service will not continue the initiative.

**RESPONSE:**

- a. The Postal Service acquired 46 Package Support Annexes (PSAs) with long-term leases between two and five years, thereby adding 7,541,153 square feet of space to the network. The procurement of the PSAs, along with over 100 new package sorting machines (many of which are located in PSAs), addresses the need for additional package processing space and capacity driven by growing package demand. The added space dedicated to packages at PSAs also makes additional space available for processing all mail products at existing facilities.

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<sup>30</sup> *Id.*; see also *id.* at 12-13, 16, 22.

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The deployment of the Third Party Canine Program, a.k.a. "3PK9", was designed to scale back the reliance on certain cargo air networks by securing additional capacity for package products on commercial air networks. The Aviation Mail Security program dictates that mailpieces greater than 13 ounces may only be transported on commercial (passenger) aircrafts if the cargo can be screened by an approved provider. Previously, screening was mostly limited to markets where it was performed by the Transportation Security Administration; the introduction of 3PK9 allowed third party providers to fulfill this function, thereby expanding the number of markets using commercial airlines to transport packages. This resulted in decreased reliance on certain cargo air networks, thereby facilitating more service responsiveness, and added more options for air capacity.

- b. The Postal Service uses the internal service performance measurement (SPM) system to quantify service performance. The Postal Service cannot determine the individual impact of each initiative on service performance.
- c. The initiatives cannot be quantified as a metric to improve service improvement.
- d. The Postal Service is unable to identify with certainty which initiatives contributed to a particular result nor to isolate the effects of each initiative. The Postal Service is capable only of identifying the metrics that it believes ought to change in response to each initiative.

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- e. The Postal Service plans to continue utilizing the 46 existing PSAs but does not plan to open any additional PSAs at this time. The Postal Service also plans to continue the 3PK9 program. The Postal Service will continue to use SPM to monitor the correlation between initiatives and service performance.
- f. Not applicable.

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- 27.** The Postal Service asserts that between April and November of FY 2021 it deployed more than 112 new package processing machines, which has “benefited all mail products” by creating “additional space . . . to better manage First-In-First-Out (FIFO) order . . . .”<sup>31</sup>
- a. Please describe the new package processing machines to which this refers.
  - b. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - c. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - d. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - e. If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - f. If the Postal Service does not intend to continue this program, please explain why not.

**RESPONSE:**

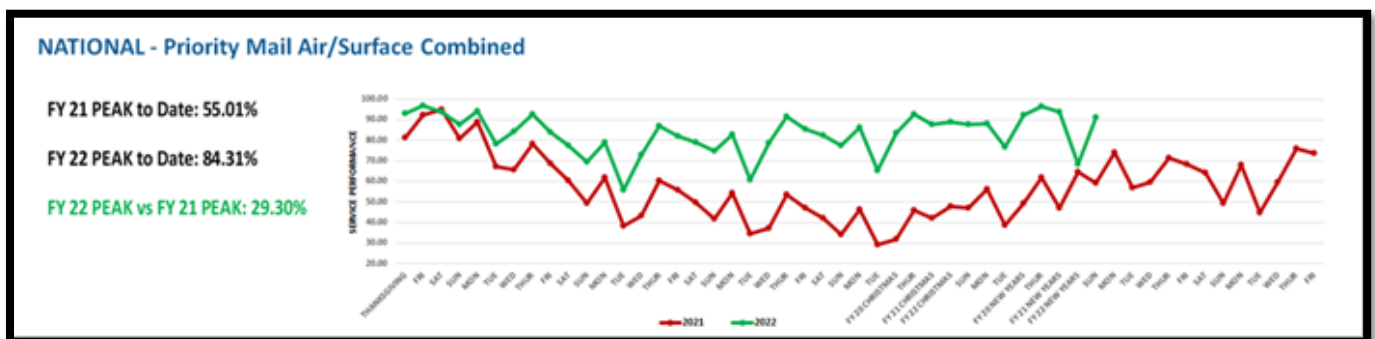
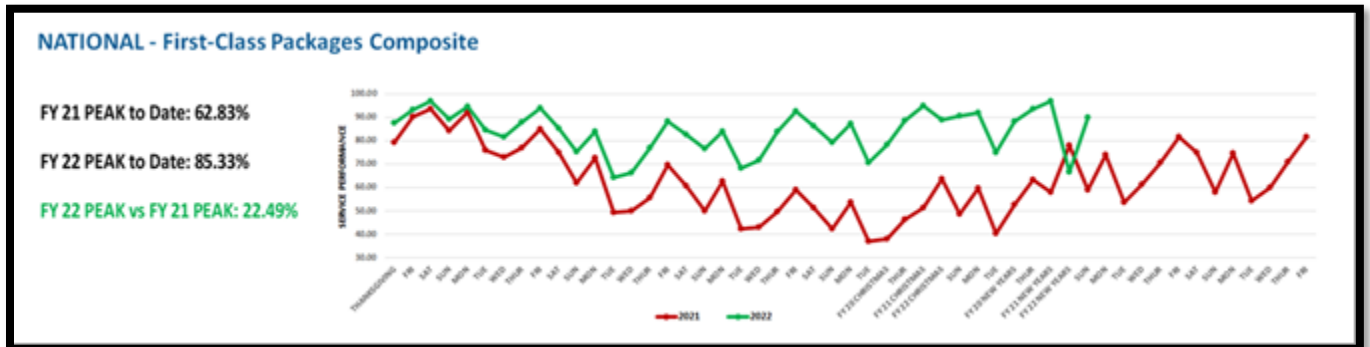
- a. The breakdown of the 112 machines are as follows:
  - 25 Automated Delivery Unit Sorters (ADUS)
  - 13 Small Package Sorting System (SPSS)
  - 51 Single Induction Package Sorter (SIPS)
  - 23 Small Delivery Unit Sorters (SDUS)
- b. Service performance is measured through the Internal Service Performance Measurement (SPM) system.

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<sup>31</sup> FY 2021 ACR at 55; Library Reference USPS-FY21-29, file “FY21-29 Service Performance Report.pdf,” at 12-13, 22-23.

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- c. The addition of equipment, in and of itself, cannot be quantified as a metric to improve service improvement, but have helped us during our FY 2022 peak performance for First-Class and Priority packages as shown below.



- d. It is not possible to identify with certainty which initiatives, such as the addition of machines, contributed to a particular result nor to isolate the effects of this initiative.
- e. The Postal Service has started its network transformation, as outlined in the Delivering for America plan, which will enable us to handle increased package demand and improve overall performance in FY 2022.
- f. Not applicable.

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- 28.** The Postal Service states that in FY 2021 it deployed six new Surface Transportation Centers as part of its efforts to create a more efficient, optimized surface transportation network.<sup>32</sup>
- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - d. If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - e. If the Postal Service does not intend to continue this program, please explain why not.

**RESPONSE:**

- a. The Postal Service uses metrics to guide its efforts to improve service performance, but does not have or use metrics to try to quantify the impact of making (or not making) a specific operational changes such as the deployment of new STCs. Service scores are nationally tracked versus isolated to Surface Transfer Centers. Informed Visibility is used to deep dive into lane analysis for every poor performing lane. Once identified through lane analysis, pieces that failed through STC scans are followed. STC Scorecard is used to monitor, track, and review performance for scanning, and SVWeb is used to follow scans for to identify the failure point. Weekly report "STC PMFCP Performance" is distributed

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<sup>32</sup> Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 7.

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nationally to provide lane analysis of volume intended to route through an STC and the service scores for those lanes.

- b. The Postal Service is unable to quantify the impact on service performance of the decision to open new STCs.
- c. The STCs operate at a container level, given they do not process at a piece level. Specific metrics for an STC are transportation cycle time, misrouted containers, scanning performance, and STC PMFCP Performance. Operational performance and capacity of the STCs improved significantly where the Postal Service implemented new STCs. STC Report Card, Cycle Time Report and STC Daily Report in SV are all used to analyze performance. Lane performance of packages routed through the STCs is reported and monitored, weekly. However, while these data indicate overall lane performance, they do not directly attribute failures to the STCs.
- d. The Postal Service will continue to monitor the operational performance of the STCs. We do not, at this time, have a way to determine service impact directly associated with the STCs without deep dive analysis on low performing lanes.
- e. N/A - The Postal Service intends to continue the STC program.



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- 29.** The Postal Service states that Last Mile failures improved from FY 2020 due to the introduction of the Mail Arrival Quality/Plant Arrival Quality program in March 2021. *Id.*
- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - d. If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - e. If the Postal Service does not intend to continue this program, please explain why not.

**RESPONSE:**

- a. The Mail Arrival Quality/Plant Arrival Quality (MAQ | PAQ) program is a communication platform devised to relay processing, transportation, collection mail, etc. related issues to the responsible parties for resolution.
- b. As the MAQ | PAQ is a communication platform, such quantitative support is not available.
- c. Please see the response to subpart b. above. The quantity of 'communiques' sent to/from the parties to resolve potential issues does not directly correlate to the impact of or to a definitive service indicator. This communications platform helps ensure continued interactions between the processing, transportation, delivery functions, thereby keeping the relevant parties informed of various cross-

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functional related items (e.g. delay alerts, product inconsistencies, etc.), and better equipping them to identify and resolve potential issues that could impact overall service.

- d. As stated above, quantifiable metrics will not be available as the MAQ | PAQ program is a communication platform.
- e. The Postal Service intends to continue this program.

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- 30.** The Postal Service states that First Mile failures improved in FY 2021 as a result of processing plants holding daily touchpoints with their Logistics and Customer Service teams, both to address issues related to bringing evening collection mail back to the plant and to ensure that all trips arrive at the processing plants on time and that the proper separations of incoming mail occur. *Id.*
- Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - If the Postal Service does not intend to continue this program, please explain why not.

### RESPONSE:

- A daily scorecard is published (example below) containing various Integrated Operating Plan (IOP) related metrics to affect mail arrival to and from the Processing facilities and Post Offices.

Area	% Over 60min AM office	Carriers After DOV %	Carriers After 2000 %	DPS LTRS %	CRRT LTRS %	UNIT REC LTRS %	FSS FLTS %	FSS CRRT %	FSS UNIT REC %	CRRT FLTS %	UNIT REC FLTS %	AM Trips on Time	AM Extra Trips
	Day	Day	Day	Day	Day	Day	Day	Day	Day	Day	Day	Day	Day
ATLANTIC	31.53%	31.49%	4.08%	90.21%	2.24%	7.55%	48.77%	13.36%	37.87%	20.01%	79.99%	82.53%	1.21%
CENTRAL	22.30%	31.54%	5.89%	91.53%	2.11%	6.36%	27.67%	19.40%	52.93%	22.00%	78.00%	78.79%	1.42%
SOUTHERN	24.73%	28.78%	2.45%	93.11%	1.71%	5.18%	37.11%	16.43%	46.46%	21.06%	78.94%	81.74%	1.91%
WESTPAC	19.49%	38.04%	6.34%	94.05%	1.96%	3.99%	54.32%	13.85%	31.83%	29.09%	70.91%	85.62%	1.57%
NATIONAL	25.15%	32.44%	4.70%	92.17%	2.01%	5.82%	45.43%	14.72%	39.85%	22.93%	77.07%	82.03%	1.51%

- Trip and mail product/container data is employed to develop and measure the IOP metrics and used to identify root causes and explore the potential resolutions.

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- c. Quantitative support is unavailable as the daily touchpoint initiative is a communication method used to discuss issues and possible resolutions among the responsible parties. As this is a communication process covering a variety of subjects/causes, they do not directly correlate to an exclusive indicator(s).
- d. The Postal Service intends to continue with conducting daily touchpoints, at this time, with processing plants, Logistics and Customer Service teams.
- e. Non applicable as the Postal Service does intend to continue with conducting daily touchpoints, at this time.

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- 31.** In its FY 2020 ACR, the Postal Service identified a number of initiatives that it was considering implementing in order to optimize service performance for flat-shaped mailpieces in FY 2021: “(1) right-size flat sorting machine sets, (2) refine staffing, (3) establish capable operating plans, (4) appropriately extend and/or modify machines, (5) minimize unnecessary handling, and (6) fully leverage visibility tools.”<sup>33</sup> For each of these initiatives:
- a. Please describe the status of each of these initiatives at the end of FY 2021.
  - b. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - c. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - d. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - e. For each initiative the Postal Service intends to continue, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - f. For each initiative the Postal Service does not intend to continue, please explain why the Postal Service will not continue the initiative.

**RESPONSE:**

- a. Due to the sharp decline in flats volume and the exceptional circumstances created by the pandemic, many of the initiatives that were in place and/or scheduled to be put in place for flats processing did not occur in FY 2021. The Postal Service did work to right size FSS equipment in some targeting sites.

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<sup>33</sup> Docket No. ACR2020, Library Reference USPS-FY20-29, file “FY20-29 Service Performance Report.pdf,” at 23.

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- b. The Postal Service uses the internal service performance measurement (SPM) system to quantify the impact of service performance. The Postal Service cannot determine how each initiative has affected service performance.
- c. The initiatives cannot be quantified as a metric to improve service improvement.
- d. It is neither possible to identify with certainty which initiatives contributed to a particular result nor to isolate the effects of each initiative. The Postal Service is capable only of identifying the metrics that it believes ought to change in response to each initiative
- e. The Postal Service is committed to planning and implementing initiatives that are simple and achievable and that will drive down costs and improve service. The FY 2022 initiatives for the flats optimization are detailed in FY 2021 Paragraph (f) report provided in USPS-FY21-45.
- f. The FY 2022 initiatives for the flats optimization are detailed in FY 2021 Paragraph (f) report provided in USPS-FY21-45.

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- 32.** Please refer to Library Reference USPS-FY21-33, December 29, 2021, folder "USPS.FY21.33.Files," Excel file "WaitTimeInLineFY2021.xlsx."
- a. In the FY 2021 ACR and Library Reference USPS-FY21-33, the Postal Service states that the national average wait time in line was 2 minutes 48 seconds in FY 2021. Please provide the formula used to derive these numbers, including the inputs used.
  - b. Please refer to tab "Nat'l Avg Wait Time by Qtr F21," cells F7 through F10. Please confirm that the average of those cells is 2 minutes 48 seconds. If not confirmed, please provide the average of cells F7 through F10 and explain how the Postal Service calculated the result.
  - c. Please refer to tab "Area Avg. Wait Time FY21," cells D7 through D10. Please confirm that the average of those cells is 2 minutes 50 seconds. If not confirmed, please provide the average of cells D7 through D10 and explain how the Postal Service calculated the result.
  - d. Please refer to tab "Area Avg Wait Time by Qtr," cells F7 through F22. Please confirm that the average of those cells is 2 minutes 50 seconds. If not confirmed, please provide the average of cells F7 through F22 and explain how the Postal Service calculated the result.
  - e. Please refer to tab "Area Avg Wait Time by Qtr," cells F19 through F22, which contains information about quarterly wait times in line in the WestPac Area. Please confirm that the average of those cells is 3 minutes 12 seconds.
    - i. If confirmed, please reconcile these numbers with cell D10 of tab "Area Avg. Wait Time FY21," which states the average wait time for the WestPac area is 3 minutes 11 seconds.
    - ii. If not confirmed, please provide the average of cells F19 through F22 and explain how the Postal Service calculated the result.
  - f. If any numbers need to be changed in response to this question, please file an updated Excel file containing FY 2021 wait times in line.

**RESPONSE:**

- a. The formula is: Sum of All Wait Times is Secs / Count Wait Time Surveys. From Code (TotWTsec \*1.00 / WTCnt)) = AvgWTsec). For FY21 this equates to:  
  
$$9,088,004 / 54,096 = 168 \text{ Sec} = 02:48 \text{ (mm:ss)}.$$

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- b. Not confirmed. Attempting to derive an average of averages, as suggested by the question, does not produce a meaningful result in this context. The appropriate aggregation procedure instead is adding all quarters Numerators (TotWTsec) and dividing by all quarters Denominator (WTCnt). So in this case it is calculated as follows:  $(2626961 + 2638256 + 2132221 + 1690566) / (13515 + 13545 + 13471 + 13565) = (9,088,004 / 54,096) = 168 \text{ Sec} = 02:48 \text{ (mm:ss)}$  as in a. above.
- c. Not confirmed. Attempting to derive an average of averages, as suggested by the question, does not produce a meaningful result in this context. The appropriate aggregation procedure instead is adding all Areas Numerators (TotWTsec) and dividing by all Areas Denominator (WTCnt). So in this case it is calculated as follows:  $(2588805 + 1614572 + 2663924 + 2220703) / (17547 + 11705 + 13227 + 11617) = (9,088,004 / 54,096) = 168 \text{ Sec} = 02:48 \text{ (mm:ss)}$  as in a. above.
- d. Not confirmed. Attempting to derive an average of averages, as suggested by the question, does not produce a meaningful result in this context. The appropriate aggregation procedure instead is adding all Areas and Quarters Numerators (TotWTsec) and dividing by all Areas and Quarters Denominator (WTCnt). So in this case it is calculated as follows:
- Numerator: Sum of all Areas Quarterly Wait time in Sec =
- $(696724 + 788460 + 619877 + 483744 + 664443 + 623134 + 496286 + 436840 + 815590 + 757288 + 638873 + 452173 + 450204 + 469374 + 377185 + 317809) = 9,088,004 \text{ Sec}$



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Denominator: Sum of All Areas Quarterly Wait Time Counts =

$(4429+4338+4363+4417+2791+2950+2912+2964+3398+3303+3283+3243+2897+2954+2913+2941) = 54,096 = 9,088,004 / 54,096 = 168 \text{ Sec} = 02:48 \text{ (mm:ss)}$

as in a. above.

- e. Not confirmed. Attempting to derive an average of averages, as suggested by the question, does not produce a meaningful result in this context. The appropriate aggregation procedure instead is adding Westpac Area and Quarterly Numerators (TotWTsec) and dividing by Westpac Area Quarterly Denominator (WTCnt). So in this case it is calculated as follows:  $(664443 + 623134 + 496286 + 436840) / (2791 + 2950 + 2912 + 2964) = (2,220,703 / 11,617) = 191 \text{ Sec} = 03:11 \text{ (mm:ss)}$
- i. Not applicable.
- ii. As correctly calculated above, the result matches the 3 minutes and 11 seconds shown in the referenced cell D10.
- f. All Wait times displayed on all 4 tabs of the Excel Workbook named "WaitTimeInLineFY2021" are confirmed correct.

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**33.** In Docket No. ACR2020, Library Reference USPS-FY20-33, the Postal Service stated that the number of Post Offices suspended at the end of FY 2020 was 436. However, Library Reference USPS-FY21-33 states that the number of Post Offices suspended at the beginning of FY 2021 is 433. Please reconcile this discrepancy and provide the number of Post Offices suspended at the end of FY 2020.

**RESPONSE:**

Currently, the best available number of Post Offices suspended at the end of FY 2020 and at the start of FY 2021 is 433.

A complete review was conducted on both the ACR 2020 and ACR 2021 files. Through this review, concerns were identified regarding eight (8) offices listed in USPS-FY20-33 as being suspended at the end of FY 2020. Of these eight (8) offices, five (5) offices were reopened prior to the end of FY 2020: the Chromo (CO) office, which reopened on August 4, 2020; the Elwood (KS) office, which reopened on April 1, 2019; the Craig (MO) office, which reopened on June 30, 2019; the Tohatchi (NM) office, which reopened on May 11, 2020; and the Plaza Las Americas (PR) office, which reopened on July 11, 2020. Furthermore, the basis for inclusion of three (3) other sites in the "Suspended End of FY20" tab in USPS-FY20-33 is no longer clear. Available information indicates that these sites are suspended now, but that the current suspension did not begin until FY 2021. Those three sites are: the Tucson Rita Ranch Retail (AZ) office, which was suspended on January 8, 2021 because of Safety/Health concerns due to COVID; the Youngtown (AZ) office, which was suspended on July 26, 2021 because of Safety/Health concerns due to flooding; and the Friar Station (RI) office, which was suspended on May 8, 2021 because of loss of the lease due to

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property redevelopment. Consequently, there is no currently available information that justifies the inclusion of these three locations on the list of sites suspended as of the end of FY 2020.

Conversely, five (5) sites were incorrectly omitted from the "Suspended End of FY20" tab in USPS-FY20-33: namely, the Fremont (IA) office, which was suspended on July 31, 2017 and was subsequently reopened on May 28, 2021; the Glendale (MA) office, which was suspended on February 20, 2020 and was subsequently reopened on November 18, 2020; the Union Hill (IL) Office, which was suspended on August 9, 2019; the Hardenville (MO) office, which was suspended on February 1, 2020; and the Dublin (PA) office, which was suspended on January 2, 2020.

Removing the eight (8) offices incorrectly or questionably reported in the "Suspended End of FY20" tab of USPS-FY20-33 and adding the five (5) offices incorrectly omitted from the tab yields a list identical to that contained in the "Suspended Start of FY21" tab in USPS-FY21-33, totaling to 433 sites.

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- 34.** The Postal Service reports that the FY 2021 cost coverage for First-Class Mail Flats fell to 98.7 percent. See FY 2021 ACR at 7. In Docket No. R2021-2, the Postal Service proposed, and the Commission approved, a price increase of 10.318 percent for First-Class Mail Flats.<sup>34</sup> Please estimate the impact of the Docket No. R2021-2 price increase on FY 2022 volume, revenue, cost, and contribution for First-Class Mail Flats. The estimate should use the most recent elasticities provided by the Postal Service to the Commission and support any additional assumptions.

**RESPONSE:**

As requested, the most recent elasticity estimates provided in the FY 2021 Demand Analysis, submitted on January 20, 2022, are used in this response. Moreover, accompanying the FY 2021 Demand Analysis was a volume forecast for FY 2022 that reflects the effects of the First-Class Mail Flats rate increase identified in the question. That FY 2022 volume forecast was premised on the actual implementation date in August 2021 for the rate change.<sup>35</sup> To determine the impact of the rate change on volume, an additional forecast was conducted using the same model as included with the FY 2021 Demand Analysis, but assuming no rate change in August 2021 (the

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<sup>34</sup> Docket No. R2021-2, Order on Price Adjustments For First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services Products and Related Mail Classification Changes, July 19, 2021, at 75 (Order No. 5937).

<sup>35</sup> That forecast as provided with the FY 2021 Demand Analysis, however, also assumed an additional price increase for Market Dominant Mail in July 2022. In order to isolate the volume effects of the 10.318 percent increase of August 2021 that is the focus of this question, the effects of the July 2022 price increase had to be removed. Consequently, the “after-rates” volume forecast used in this response is slightly higher than the FY 2022 forecast for First-Class Mail Flats provided in the FY 2021 Demand Analysis, which was dampened a bit by the projected rate increase relatively late (i.e., July) in the fiscal year.

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before-rates forecast).<sup>36</sup> Volume estimates for FY 2022 associated with each of these two scenarios (i.e., before-rates assuming that the August 2021 rate increase did not occur, and after-rates assuming that it did occur) are provided below.

Revenue estimates corresponding to each of these volume scenarios are also provided. Revenue is calculated in both cases by multiplying volume by the price index values used to make the volume forecast.

To calculate the cost impacts, the unit costs for First-Class Mail Flats from the FY 2021 CRA Report have been applied to the volumes from each of the two scenarios. Contribution can then be calculated by subtracting total costs from total revenues. Contribution impact, in turn, is measured as the differences between the before-rates benchmark (i.e., no rate increase) contribution estimate and the after-rates contribution estimate.

(Millions)	FY 2022 Forecast	
First-Class	Before-Rates	After-Rates
Mail Flats	(No Increase)	(Actual)
Volume	1,138.31	1,120.65
Revenue	\$1,479.68	\$1,586.35
Unit Cost	1.326	1.326
Total Cost	\$1,509.93	\$1,486.50
Contribution	(\$30.25)	\$99.84
Contribution Impact		\$130.10

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<sup>36</sup> Technically, the “before-rates” forecast undid the August 2021 rate change as of the first day of FY 2022. This eliminated the need to estimate what volumes would have been in 2021Q4 in the absence of said rate change.

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These figures indicate that the 10.318 percent rate increase for First-Class Mail Flats is expected to improve actual contribution for FY 2022 by about \$130 million. It may be noted, however, that these figures are based on FY 2021 CRA unit costs, and thus make no explicit allowance for inflation between FY 2021 and FY 2022. In the context of the same exercise conducted in response to similar requests two years ago, however, further analysis was done which showed that plausible inflation estimates have no material effect on the contribution impact estimates generated by this exercise. Please see the Postal Service's responses in Docket No. ACR2019 to to ChIR No. 4, Questions 37-39 (January 24, 2020) and ChIR No. 9, Question 5 (February 7, 2020).

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**35.** Please see Attachment, filed under seal.

**RESPONSE:**

Please see the response filed under seal in USPS-FY21-NP34.

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**36.** Please see Attachment, filed under seal.

**RESPONSE:**

Please see the response filed under seal in USPS-FY21-NP34.